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GERMAN REACTION TO AUSTRIAN DEVELOPMENTS

- On 14 Apr, Chancellor Adenauer responded I. Soviet-Austrian negotiations by reaffirming his policies. His press chief remarked that the Paris treaties could be amended if a situation arose leading to German unification.
 - On same day, one of Adenauer's Bundestag leaders expressed great concern at possible impact of Austrian settlement. He stated belief that neutralism would arise which government would find hard to counter.
 - B. Government's general position is that neutrality is not the road to security, and that if a firm position is main-· tained, the Soviet Union will still negotiate when it feels it can benefit.

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often been antagonistic to Adenauer's
foreign policies, said on 15 Apr that
Bonn would be ill-advised to follow
Austria's pledge of neutrality.

- A. Dehler's press service has been saying that a "third way" must be found between the two extremes: no unification or neutralism.
- III. On 15 Apr, Social Democratic leader Heine urged new four-power negotiations.
 - A. He said the prerequisite for these was renunciation of "bloc policy" of Paris treaties. Heine believes, however, that the German situation is quite different from the Austrian.
 - IV. Newspapers generally have adopted a hopeful but unemotional attitude. Express hope that Austrian developments mean a fundamental change in Soviet policy, but are not beating drum for a neutralized Germany.